

OMB COMMENTS FROM MR DONOHUE ,1430 HOURS, THURSDAY ,27 SEPTEMBER

(THESE WILL BE FOLLOWED BY WRITTEN COMMENTS)

Reference Para 32⁴: OMB objects to statement that the NIS program is being terminated for budgetary reasons. OMB has fully funded this program for FY 1973 and FY 1974. If FY 1975 budget does not include funds for NIS, it is conceivable OMB could request funds be added. OMB considers the termination is based on DCI determination of relative priorities.

Reference Para 46: OMB objects to the statement that tactical intelligence was omitted from the NIPM "by agreement" since OMB never agreed to such. Mr. Donohue suggested the phrase "by agreement" be deleted.

Reference Para 58 c : OMB objects to the statement re transferability of resources. In the development of the intelligence budget, the DCI ~~xxx~~ has an inherent capability to make transfers; after Congress has acted on the budget no one has this capability. OMB would like this paragraph changed.

Reference Para 58 f-h on COINS: No mention is made in this paragraph concerning management improvements, but this is what PFIAB is interested in, as indicated in a June or July letter from Mr. Bridgewater ~~and~~ re and STAT a memorandum which Mr Donohue believes Dr Baker has ~~written~~ written since the 6 September meeting of the PFIAB Technical panel. OMB considers that the problem is not a Technical Development plan but action re improved management.